

# *Advantage Shoreview*

## Business Partnership Loan Program

### Program Guidelines

#### Program Overview

The City of Shoreview, through the Economic Development Authority (EDA), is making funds available to provide low-interest rate loans to existing Shoreview business owners for the purposes of building expansion and renovation that results in the retention or creation of new employment with the City. The source for the funds comes from expanded tax increment authority which requires all loans to be executed and construction to begin by July 1, 2011 and funds expended by December 31, 2011.

#### Loan Amount

The EDA will loan up to 30% of the total project cost with a minimum loan amount of \$30,000 and maximum of \$500,000.

#### Interest Rate

The interest rate for the term of the loan is 3.0%.

#### Term

The maximum term for building construction and structural renovations is 15 years.

The maximum term for machinery, equipment, and fixtures is 10 years.

#### Eligible Properties

Businesses must be located within the City of Shoreview.

#### Eligible Projects

Loans for land, building, machinery, equipment and leasehold improvements. Funds may not be used for refinancing existing indebtedness, personal property items, working capital, and previously completed projects.

#### Eligible Borrowers

Owners of the property being improved are eligible to apply for funding. Businesses that lease space must have written permission from the building owner for the proposed tenant improvements.

#### Loan Security

Personal and/or Corporate Guaranty(s) are required. In order to assist local business with meeting equity requirements and securing private financing, the City will not file a lien and/or mortgage.

#### Total Project Cost

It is the borrower's responsibility to obtain the amount of funds necessary to finance the entire cost of the work. In the event the final bill exceeds the original loan amount, the recipient must obtain the additional funds.

#### Application Processing

Applications will be considered on a first come, first served basis. Applications will then be reviewed and ranked by City staff and the EDA according to the following criteria:

#### Selection Criteria:

- Projects must generate new sustainable employment opportunities.
- Project that provide for job retention, where job loss is demonstrable.
- Projects which are part of an overall expansion project.
- Projects which allow for diversification and introduction of a new product or service.
- Projects that encourage private (re)investment in the community.
- Projects that accomplish other public purposes as determined by the EDA and City Council.

#### Work Completion

All work must be completed within 180 days of loan closing. Construction must begin by July 1, 2011.

**Please refer to the complete loan guidelines and criteria included with the loan application.**